

Texaco Exploration and Production Inc.
Attn: Mr. Joseph F. Smith, Jr.
935 Gravier St., Room 1944
New Orleans, Louisiana 70112

June 3, 2002

ChevronTexaco

Hon. Felix J. Boudreaux, Commissioner
Department of Natural Resources
Office of Conservation
P. O. Box 94275-Capitol Station
Baton Rouge, Louisiana 70804-9275

Re: **APPLICATION FOR COMMINGLING**
Commingling Facility No. 5 (91905)
Delta Duck Club Field
Plaquemines Parish, Louisiana

Dear Sir:

Pursuant to the provisions of Title 30 of the Revised Statutes of 1950 and in accordance with Statewide Order No. 29-D-1, application is made on behalf of Chevron U.S.A. Inc. for the calling of a public hearing after **ten-day legal notice**, to consider evidence relative to the issuance of an order granting permission to commingle hydrocarbons produced from the Clayton Williams - **J. G. Timolat et al, 2200 RA SUA**, and **4850 RA SUA** leases/units into Commingling Facility No. 5 (91905) in the Delta Duck Club Field, Plaquemines Parish, Louisiana, using methods other than gauge tanks, for the allocation of production.

The method of measurement and allocation of production which Chevron is proposing is explained in the attached description of operations and schematic diagram for Commingling Facility No. 5. As indicated the production will be allocated by monthly well tests.

In our opinion, the commingling of hydrocarbons and the use of methods other than gauge tanks to allocate production will provide reasonable, accurate measurement and not create an inequity, and the owner of any interest will recover his just and equitable share of the reservoir contents.

Attached are (1) a copy of the facility schematic and description of operations, (2) a list of Interested Parties, including operating and royalty interest, and (3) a check in the amount of \$700.00 to cover the application fee due.

A copy of this application is being sent to Mr. Richard D. Hudson, District Manager, Lafayette, Louisiana, and to each Interested Owner, Represented Party, and Interested Party after a reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

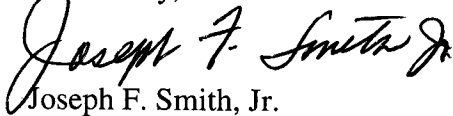
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All inquiries concerning this proposal should be directed to Mr. Joseph F. Smith, Jr., Texaco Exploration and Production Inc., 935 Gravier St., Room 1944, New Orleans, Louisiana, 70112, telephone number (504) 592-6710.

Yours truly,

A handwritten signature in cursive script, reading "Joseph F. Smith Jr.", written in dark ink.

Joseph F. Smith, Jr.
Unitization Coordinator

JFSmith:DDCCF#5APP

Attachments

cc: Mr. Richard D. Hudson
District Manager
Department of Natural Resources
Office of Conservation
Lafayette, Louisiana

Interested Owners, Represented Parties and Interested Parties

**DESCRIPTION OF OPERATION
COMMINGLING FACILITY NO. 5
TANK BATTERY NO. 3
DELTA DUCK CLUB FIELD
PLAQUEMINES PARISH LOUISIANA**

Production from the VUA (Oil), DDC 5100 R127A SU, DDC 5100 R120 SU, DDC 5400 R123 SU, DDC 6 RNE-1 SU, DDC 5900 R123 SU, DDC 3 R100 SU, DDC 7800 R170 SU, VUB (Oil), DDC LWR 7 RC SU, DDC L 6300 RA SU, 6800 R4 SUA, DDC 11 R235 SU, DDC LWR 6300 RB SU, 6100 R100 SUA, VUA (Gas), DDC 7800 RH SU, 6 R310 SUA, 8900 R270 SUA, SL 335 Main Pass, Delta Duck Club, along with three Clayton Williams properties - J. G. Timolat et al, 4850 ZONE RA SUA, and 2200 ZONE RA SUA flows to a common system of separators and orifice meters. Liquid production flows through the facility's common emulsion treaters prior to entering commingled storage.

High pressure gas from the separators is metered and flows through a high pressure scrubber at the compressor station and is metered and sold to Tennessee Gas Pipeline Company or delivered to the field gas lift system. Recovered minimal liquids from the high pressure scrubber at the compressor station flows unmetered to the treaters. Liquids from the high pressure separators flow to the low pressure separators.

Low pressure gas from the separators flows through a low pressure scrubber at the tank battery and then flows through another low pressure scrubber at the compressor station and is metered prior to entering the compressor. Recovered minimal liquids exiting the tank battery scrubber and compressor station scrubber flow unmetered prior to flowing to the treaters. Liquids from the low pressure separators flows directly to a treater then on to the stock tanks. All wells are gauged at least once per month by directing the well through a low pressure gauge separator where the gas is metered. The liquids recovered is sent through a liquid gauge meter. The water content is measured by the shake out method.

Compressed gas is metered and delivered to the field gas lift system or is sold to Tennessee Gas Pipeline Company.

HILCORP PRODUCTION

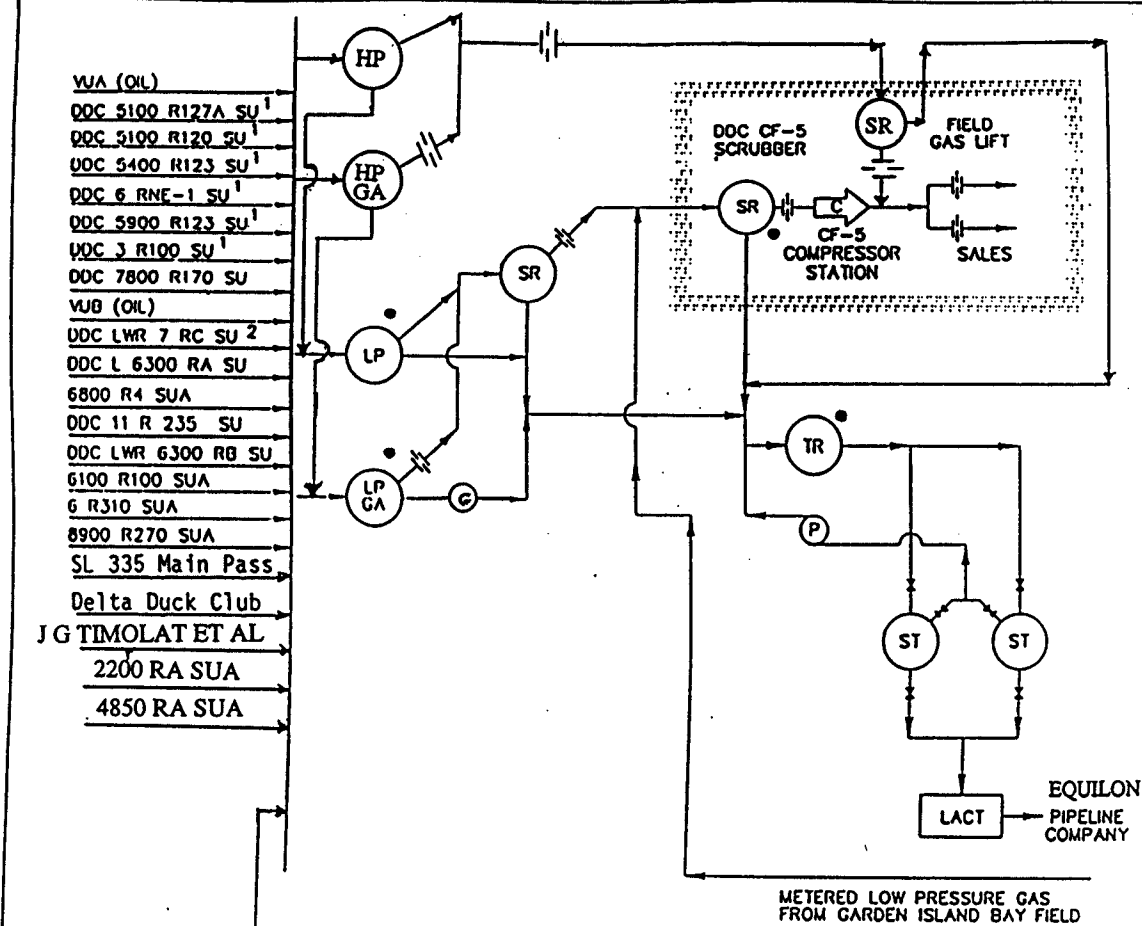
Production from the Hilcorp - Delta Duck Club lease flows to a low pressure separator at the Hilcorp production platform. Produced gas from the separator is continuously metered for sale to Chevron and then flows into a common flowline shared with VUA (Gas) and DDC 7800 RH SU. The combined production flows to a common system of separators and orifice meters at Tank Battery No. 3, Commingling Facility No. 5. In the event that any liquids should be produced, they will be metered, gathered, and processed by Hilcorp. Chevron's contract calls for dry gas only, at the sales point.

Liquid and gas production is allocated back to each property on the basis of individual well tests conducted monthly.

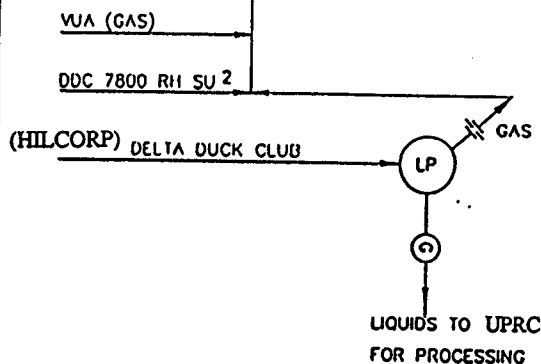
Liquid production can be pumped from either stock tank through the production emulsion treaters and back to commingled storage. The volume of liquid production delivered to sales is measured by a L.A.C.T. unit.

A portable master meter is used to calibrate the liquid meters. The master is proved through a prover built in accordance with API Code 1101.

05/29/02
JFSmith



C.F. No. 5



South End Gathering & Test Facility
(formerly T.B.#4)

¹ UNIT ENTIRELY CONTAINED BY VUA.
² UNIT ENTIRELY CONTAINED BY VUB.

REVISED 05/29/02

LEGEND

- | | |
|------------------------------|------------------------|
| (LP) LOW PRESSURE SEPARATOR | (G) LIQUID GAUGE METER |
| (HP) HIGH PRESSURE SEPARATOR | (P) PUMP |
| (LP GA) LOW PRESSURE GAUGE | -X- VALVE |
| (TR) TREATER | - _ - ORIFICE METER |
| (C) COMPRESSOR | (ST) STOCK TANK |
| | (SR) SCRUBBER |
| | • MORE THAN ONE |

CHEVRON U.S.A. INC.

COMMINGLING FACILITY NO. 5
TANK BATTERY NO. 3
DELTA DUCK CLUB FIELD

Perish: PLAQUEMINES	DWG. DDCCF5R2.DWG
Engineer: J.A. FORD	Date: 1/12/95
Drafted by: J.A.F./DL	Revised: